The Legislative Line-Item Veto Act of 2007

- On January 24, 2007, Paul Ryan (R-WI), Mark Udall (D-CO), and Jim Matheson (D-UT) introduced the Legislative Line-Item Veto of 2007 with a total of 80 bipartisan cosponsors.
- The Legislative Line-Item Veto Act of 2007 is nearly identical to last year's version, which passed the House by a vote of 247-172 on June 22, 2006. Last year's bill drew broad bipartisan support, including 35 Democrats.

<u>Summary</u>

- Allows the President to propose the elimination of spending earmarks (discretionary and direct), narrow special-interest tax breaks, and limited tariff benefits included in broader legislation that arrives at his desk for signature.
- Unlike the 1996 Line-Item Veto, the Legislative Line-Item Veto of 2007 preserves Congress' power of the purse under the U.S. Constitution by requiring an up-or-down vote in both chambers under an expedited process in order to effectuate the President's proposed rescissions.
- Sheds light on the earmarking process and acts as a strong deterrent to the addition of questionable spending projects in the first place.

<u>The Process</u>

1. The President identifies an item of discretionary spending, new direct spending, special-interest tax breaks, or limited tariff benefits in legislation that is being signed into law.
2. The President submits a special message to Congress, asking for the rescission of a spending item or items.
3. House and Senate leadership have three days to introduce the President's rescission request.
4. The rescission bill is referred to the appropriate committee, which has seven days to report the bill without substantive revision.
5. The bill is then brought to a floor vote within two days, with a simple majority required for passage.
6. If the House and Senate pass the President's rescission, it is sent to the President and becomes law. If either house votes against it, the rescission bill is not enacted.

<u>Other Details</u>

- Limits the number of rescission requests that the President can submit to 5 per bill (10 in the case of an omnibus or reconciliation bill). A single rescission request may include a package of line items that are recommended for removal.
- Limits the amount of time that the President can wait to submit a request to 45 days after a bill is signed into law.
- Prohibits the President from re-proposing the same or a substantially similar rescission if Congress has already rejected it once.
- Requires the House and Senate to vote on the rescission package within 12 legislative days, with no amendments and limited debate.
- The President may defer implementation of any provision he has proposed for rescission for up to 45 days, with one additional 45 day extension (up to 90 days total).

- All savings resulting from enacted rescission(s) are to be used for deficit reduction only.
- The bill sunsets in 2012.

Minor Changes from H.R. 4890

- Allows the President to propose the rescission of tax benefits that are provided to 10 or less beneficiaries, up from one beneficiary in last year's bill. This change will make the bill more consistent with the earmark disclosure rules that were included in the recently passed House rules package.
- Allows limited tariff benefits to be targeted for rescission. This change will also improve consistency with the new earmark disclosure rules.
- Shortens the number of days for consideration from 14 to 12 to make sure that the rescission requests are considered on the most expedited basis possible.

Improves on Current Practices

- The rescission process created by The Impoundment Control Act of 1974 is rarely used because it is largely ineffective – Congress can simply *ignore* rescissions submitted by the President.
- This bill *requires* Congress to vote up-or-down on a stand-alone bill containing the items the President seeks to cancel.

Subjects Earmarks to Greater Scrutiny

- Earmarks and other special-interest items typically move silently through the legislative mill and often are attached to massive spending bills that Members rarely have the opportunity to thoroughly read.
- This bill brings greater transparency and accountability to spending bills, providing a strong deterrent to wasteful earmark requests.
- This provides an opportunity to expose such measures to scrutiny – if they can stand on their own merits, they will survive.

Provides Greater Control of Entitlement Spending

- Provides for means to address unnecessary new entitlement spending – which poses the greatest long-term challenge for the Federal budget.

Taxpayers Are the Principal Beneficiaries

- All savings achieved would be used for deficit reduction – and could *not* be used to augment other spending.

Improvements Over The Line-Item Veto Act of 1996

- Congress has the final say on any proposed spending cancellations.
- This bill is constitutional. Unlike the 1996 legislation, this bill has been scrutinized by legal experts and modified as necessary to ensure it meets constitutional requirements.